Pruning of Unproductive Expenditure

990. SHRI C.M. IBRAHIM: Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister in his address to the Sixth meeting of the Inter-State Council on May, 20, 2000 referred to the steps being taken by Central Government to prune unproductive expenditure; and

(b) if so, the extent of unproductive expenditure incurred by the Central Government during 1997-98, 1998-99 and 1999-2000 and how far it is likely to be reduced this year, indicating the steps being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Information in regard to unproductive expenditure incurred by the various Ministries/Departments of the Central Government is not maintained centrally. However, it is the constant endeavour of the Government to reduce unproductive expenditure and instructions are issued in this regard from time to time to all the Ministries/ Departments, which include restrictions on the creation of new posts, review of vacant posts before they are filled up, reduction in office expenses, restrictions on purchase of vehicles, restrictions on foreign travel and on entertainment/hospitality expenses etc.

Loan to Small Scale Units

991. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) what is the amount of loan/assistance given by the Central Government to the small scale units functioning in the Metropolitan cities and other rural and urban areas of the country during the last three years till date; and

(b) the details of various incentives being provided to small scale industries by Government at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) has reported that the total advances by Public

Sector Banks to Small Scale Industrial Units during the last three years are as under:

(Rs. in crores)

As on March ending	Amount
1998	37,871
1999	42,674
2000	45,788

The data reporting system of Reserve Bank of India (RBI) does not generate information relating to loan/assistance given to SSIs functioning in the Metropolitan cities, other rural and urban areas.

(b) Some of the incentives provided by the Government of SSI are as under:

*Excise Exemption limit raised from Rs. 30 lakhs to Rs. 50 lakhs. SSI Units permitted to pay excise duty on monthly basis.

*Benefit of SSI exemption limit extended to small scale units producing cotton yarn.

*Small job workers engaged in printing of glazed tiles exempted from incidence of excise duty.

*SSI exemption to goods bearing brand name of another manufacturer proposed to be extended when units located in the rural areas.

*National Equity Fund (NEF) Scheme operated by SIDBI. Eligibility raised to include project cost upto Rs. 25 lakhs and extended to all non metropolitan areas.

*Credit Guarantee Fund (Scheme) for Small Industries (CGFSI) operated by SIDBI.

*Technology Development and Modernisation Fund (TDMF) Scheme run by SIDBI extended for a further period of 3 years.

*Banks to set up specialised SSI branches in every district or in at least one industrial cluster in every district. Specialised SSI branches to obtain ISO Certificate.

*Computation of working capital requirements on the basis of 20% of the projected annual turnover.

*40% of total SSI advances should be available for units with investment in plant and machinery upto Rs. 5 lakhs. 20% for units with investment between Rs. 5 lakhs and Rs. 2.5 lakhs and the remaining 40% for other SSI units.

*Collateral free loans limit raised from Rs. 1 lakh to Rs. 5 lakh for tiny sector.

*Composite loan limit raised from Rs. 5 lakh to Rs. 10 lakh.

Less Loan to Rural Sector

992. PROF. M. M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) what are the details of loans/advances given to the small scale, rural and urban sectors during the last three years under the new Economic reforms;

(b) whether loans given to rural sector are less in proportion to the deposits made by the sector in all the Nationalised banks;

(c) if so, the reasons therefor; and

(d) the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) According to Reserve Bank of India (RBI), the total advances outstanding of all the public sector banks to the small scale sector, rural sector and urban (including semi-urban) sector during the last three years are as under:

(Rs. Crores)

Year ending March	SSI sector	Rural sector	Urban sector
1998	37871	27464	226613
1999	42674	31188	272223
2000	45788	35909	324076

(b) RBI has reported that for the year ending March 2000 deposits of all nationalised banks in rural areas aggregated to Rs. 64,321 crore against this gross credit to rural areas was to the